

**SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE is made this 7th day of March, 2012 by and between Plaintiff Robert Chavez, on behalf of E.C. and (hereinafter referred to as "Plaintiff") and Defendants Espanola Public Schools and Board of Education for Espanola Public Schools.

WHEREAS, a dispute arose between the parties as to attorneys' fees and costs as a result of an administrative hearing before a due process hearing officer captioned Robert Chavez, on behalf of E.C., Petitioner v. Espanola Public Schools and Board of Education for Espanola Public Schools, Respondents, DPH 0910-36.

WHEREAS, Petitioner filed a Complaint for Award of Attorneys' Fees and Costs Pursuant to Individuals with Disabilities Education Act in the United States Federal Court, District of New Mexico, Robert Chavez, on behalf of E.C., v. Espanola Public Schools and Board of Education for Espanola Public Schools, CV No. 00233 WJ/WPL.

WHEREAS, the parties desire to resolve the dispute between them.

IT IS THEREFORE AGREED AS FOLLOWS: Plaintiff, Robert Chavez, in exchange for receipt of One Hundred Nine Thousand Dollars (\$109,000.00) in attorney's fees and costs, to be paid by Defendants, upon receipt of the signed Settlement Agreement and Mutual Release, in two separate installments of Fifty Thousand Dollars (\$50,000.00) for the first payment, due by March 9, 2012, and Fifty Nine Thousand Dollars (\$59,000.00) for the second payment, due by August 21, 2012, agrees to release and forever discharge Defendants Espanola Public Schools and Board of Education for the Espanola Public Schools, their agents and employees from any and all liability and claims of any nature or legal theory for any additional attorneys' fees and costs in the due process hearing captioned Robert Chavez, on behalf of E.C., Petitioner v. Espanola Public Schools and Board of Education for Espanola Public Schools, Respondents, DPH 0910-36. Nothing in this Settlement Agreement and Mutual Release shall be construed in any manner as a release of any right by

Plaintiff or by Plaintiff on behalf of EC to file any action against any party named or unnamed herein in any court of general jurisdiction, and to recover attorney's fees should he prevail, pursuant to applicable federal or New Mexico law. The total amount of the settlement, One Hundred Nine Thousand Dollars (\$109,000), includes gross receipts tax and interest.

Defendants agree to have the aforementioned settlement checks made payable to the order of the trust account of Nancy L. Simmons, and have it delivered to her office located at 120 Girard SE, Albuquerque, by no later than the dates specified, during business hours, with any risk of delay placed on Defendants. There will be no pre-payment penalty. This Settlement Agreement and Mutual Release is exclusively enforceable in the New Mexico District Court and includes attorney's fees for any enforcement action.

Plaintiff agrees to dismiss this matter, Robert Chavez, on behalf of E.C., v. Espanola Public Schools and Board of Education for Espanola Public Schools, CV No. 00233 WJ/WPL, with prejudice.

In exchange for mutual consideration, the sufficiency of which is hereby acknowledged by all parties, the parties agree as follows:

A. The undersigned acknowledge and agree that the mutual release and discharge set forth above is a general release of all claims for attorney's fees and costs that exist at this time. The undersigned further agree that they have accepted a complete compromise of matters involving disputed issues of law and fact. The undersigned assume the risk that the facts or law may be other than they believe. It is understood and agreed to by the parties that this settlement is a compromise of the disputed claim in E.C., v. Espanola Public Schools and Board of Education for Espanola Public Schools, CV No. 00233 WJ/WPL and this settlement is not to be construed as an admission of liability or wrongdoing on the part of the other, by whom liability and wrongdoing is expressly denied.

B. Each party acknowledges that the money being paid herein and the other considerations flowing to the respective parties is fair and equitable under the circumstances.

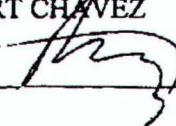
C. In making this agreement each of the undersigned acknowledge they have not relied upon statements or representations by the opposing party or its employees, agents or attorneys regarding any rights, claims for damages, facts of the proceedings or the nature and extent of damages. On the contrary, each party acknowledges they have considered these matters themselves and have relied upon their own judgment and/or advice of their counsel.

D. Should Defendants default in the terms of this settlement agreement and mutual release, Plaintiff may bring a cause of action for breach of settlement agreement, in which Plaintiff will be entitled to attorneys fees and costs incurred in doing so, should he prevail.

E. This settlement agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous oral and written agreements and discussions. This release may be amended only upon the written agreement of all of the undersigned. It is further agreed that the terms of this release are contractual and not a mere recital.

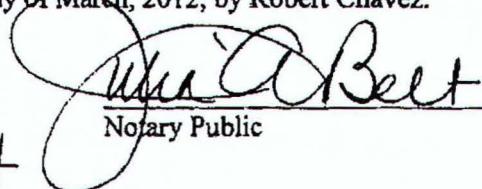
IN WITNESS WHEREOF this agreement is executed by the parties the date reflected on the respective notarizations hereto.

ROBERT CHAVEZ

By: 

STATE OF NEW MEXICO )  
COUNTY OF Santa Fe )ss.

The foregoing Settlement Agreement and Mutual Release was sworn to, subscribed and acknowledged before me this 7th day of March, 2012, by Robert Chavez.

  
Notary Public

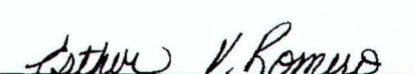
My Commission Expires: 10-16-2014

ESPAÑOLA PUBLIC SCHOOLS

  
By a duly authorized representative

STATE OF NEW MEXICO )  
COUNTY OF Rio Arriba)ss.

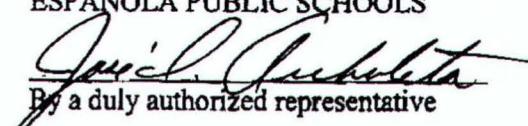
The foregoing Settlement Agreement and Mutual Agreement was sworn to,  
subscribed and acknowledged before me this 12th day of March, 2012, by  
Arthur Blea, a duly authorized representative.

  
Notary Public

My Commission Expires:

2/17/15

BOARD OF EDUCATION FOR THE  
ESPAÑOLA PUBLIC SCHOOLS

  
By a duly authorized representative

STATE OF NEW MEXICO )  
COUNTY OF Rio Arriba)ss.

The foregoing Settlement Agreement and Mutual Agreement was sworn to,  
subscribed and acknowledged before me this 18th day of March, 2012, by  
Jose I Arechukta, a duly authorized representative.

Ester V. K. mud  
Notary Public

My Commission Expires:

2/7/15

APPROVED AS TO FORM:

Jacquelyn Archuleta-Staelin, Esq.

Nancy L. Simmons